

**WARNING LETTER
AND
NOTICE OF AMENDMENT**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 15, 1996

Mr. David Swanson
President, CEO
Countrymark Coop., Inc.
950 N. Meridian St.
Indianapolis, IN 46204

CPF No. 36516

Dear Mr. Swanson:

From May 6-10, 1996, a representative of the Central Region Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of your pipeline facilities and records at Mt. Vernon, Indiana.

As a result of the inspection, it appears that you have committed probable violations, as noted below, of pipeline safety regulations, Title 49, Code of Federal Regulations, Part 195. The items inspected and the probable violations are:

1. **§ 195.402(a) Procedural manual for operations, maintenance, and emergencies.**

Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.

- (A) § 195.402(c)(12) requires each operator to establish and maintain liaison with fire, police, and other appropriate public officials to learn the responsibility and resources of each government organization that may respond to a hazardous liquid emergency and acquaint the officials with the operator's ability in responding to a hazardous liquid**

pipeline emergency and means of communication.

Countrymark has not made adequate attempts to establish and maintain liaison with police department officials to learn the responsibilities and resources that may be required to respond to a hazardous liquid pipeline emergency and acquaint the officials with the operator's ability in responding to a hazardous liquid pipeline emergency and means of communication. Countrymark has adequate documentation to prove that meetings have taken place with fire department officials.

- (B) § 195.442 requires, as of September 20, 1995, each operator of a buried pipeline shall carry out in accordance with § 195.442, a written program to prevent damage to that pipeline by excavation activities.**

At the time of the inspection, Countrymark did not have a specific procedure to address a Damage Prevention Program under § 195.442

2. § 195.403 Training.

§ 195.403(b) requires that each operator must review with personnel their performance in meeting the objectives of the training program annually not to exceed 15 months. The operator must also make appropriate changes to the training program as necessary to insure that the training program is effective.

Countrymark could not show that it is reviewing with personnel their performance in meeting the objectives of the training program or that Countrymark is making appropriate changes to the training program as necessary to insure that it is effective.

3. § 195.404 Maps and records.

§ 195.404(c)(3) requires that each operator retain a record of each inspection and test required by Subpart F for at least 2 years or until the next inspection or test is performed.

§ 195.412(a) requires each operator to inspect the surface conditions on or adjacent to each pipeline right-of-way at intervals not exceeding 3 weeks, but at least 26 times each calendar year.

Countrymark could not produce records for patrolling its pipeline or for follow-up actions taken for the period after July 7, 1994 to January 30, 1995. Countrymark did have available the pilot's flight log for this timeframe. However, the log did not contain information on areas of concern noted by the pilot along the pipeline right-of-way or of follow-up actions taken by Countrymark.

Under 49 United States Code § 60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violation persists up to a maximum of \$500,000 for any related series of violations.

We have reviewed the circumstances and supporting documents involved for the violations numbered 1A, 2, and 3 in this case, and have decided not to assess you a civil penalty. We advise you, however, that should you not correct the circumstances leading to the violations, we will take enforcement action when and if the continued violations come to our attention.

In regard to items numbered 1B, relating to deficiencies in your written procedures for operations, maintenance, and emergencies, the Office of Pipeline Safety is issuing to you a Notice of Amendment requiring that your procedures be amended to comply with the requirements of the regulations referenced.

When it is found that an operator's procedures are inadequate, 49 C.F.R. § 190.237 provides that the operator, after notice and opportunity for hearing may be required to amend its plans and procedures. This letter serves to provide you with notice of the inadequate procedures and the response options as prescribed under § 190.237. The operator is allowed thirty (30) days after receipt of such notice to submit written comments or request a hearing. After considering the material presented, the Office of Pipeline Safety is required to notify the operator of the required amendment or withdraw the notice proposing the amendment. If you do not desire to contest the notice, please provide the revised procedures within thirty (30) days of receipt of this notice.

Sincerely,

Ivan A. Huntton
Director, Central Region
Office of Pipeline Safety